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## Cha-Ching Classroom Activity #9 Back to the Budget

**Overview:** In this activity, students explore what it means to create and manage a budget. Students begin by sharing stories, giving examples, and brainstorming what a budget is and why it is important. Next, students watch the video “Back to the Budget” and analyze the choices the band made with their money and how they responded to unexpected financial challenges. Finally, students play a game that simulates the financial ups and downs we experience in the real world and share their insights into the advantages and challenges of budgeting.

**Target Audience:** Grades 3-6

**Activity Duration:** 45-60 minutes

### Essential Questions

- *What is a budget and why do we use one?*
- *What are the challenges and benefits of budgeting money?*
- *What do I do when something happens to change my budget?*

### Objectives

Students will:

- Collaborate to set financial goals and stay on budget in a simulation game
- Describe benefits and challenges of budgeting

### Activity Vocabulary

*Note for the Teacher: These words appear throughout the video and activity. Be sure to clear vocabulary with students as needed to support and enhance their learning.*

- Earn
- Spend
- Save
- Budget
- Plan
- Expected events
- Unexpected events
- Savings
- Compare prices
- Charity
- Donation
- Goal



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## Materials

- Video: [Back to the Budget](#)
- Handout: *Back to the Budget* lyrics (1 per group)
- Handout: *Stick to the Budget Game Mat* (4 copies)
- Handout: *Stick to the Budget Tracker* (1 per group)
- *Stick to the Budget Game Cards* (15 Spend and 15 Earn)
  - Cut out cards in advance
  - Shuffle deck to mix Spend and Earn cards
- 4 number cubes (1 per group)
- Chart paper
- Self-stick notes

## Procedure

1. Engage students in a warm-up conversation by asking the following questions and allowing time for students to discuss their thoughts and ideas:
  - What is a budget?
    - A budget is a plan you create that keeps track of what you earn, save, spend and donate. While it's hard to keep a budget, we do it in order to reach our goals, such as a new bike, a vacation, or a phone.
  - Why are budgets important? What purpose do they serve?
  - How does it work? How do you make one?
    - When you create a budget, you write down how much money you have. Then you think about your goals and how much you will earn, and how you want to save, spend, and donate it. Once you've thought about those things, you plan out your budget, write it down, and try to follow it to achieve your earning, spending, saving, and donating goals.
    - Now that we know about earning, spending, saving, and donating, we can play with balancing them to reach our personal goals! Each of us will probably balance them in a different way.
  - Have you or your family budgeted money?
  - When might it be helpful to create a budget?
    - Possible answers include at the beginning of the month, when planning a trip, when saving for a purchase, when trying to build a savings account – whenever we are saving for a personal goal.
2. Introduce and show the video [Back to the Budget](#). As students view the video, ask them to pay attention to the budget the Cha-Ching band members create. What happens to the budget as they take their trip? What do the band members do about it?
3. After viewing the video, ask questions to gauge and develop students' understanding. If necessary, distribute the "Back to the Budget" lyrics sheet and use it to help students review what they learned.



# CHA-CHING



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- Did you see the budget?
  - Why did Cha-Ching make a budget?
  - What was in their original budget?
    - Answers might include how much money they had to start, how much money they wanted to make on the tour, how much they would have to spend on transportation, food, and lodging
  - What happened to their budget during the trip? Why did it change?
  - How did the band respond when they didn't earn money they planned to earn or spent money they didn't plan to spend?
  - What might have happened if the band just decided to throw out their budget?
  - Do things like this happen in real life?
  - Do you think you would make or use a budget? Why or why not? Do you see how it would help you reach your goals?
4. Prepare to play the *Stick to the Budget Game*.
- Set up 4 stations around the room.
    - Place a *Stick to the Budget Game Mat* and a number cube at each station.
  - Select 4 students to act as Managers. These students are responsible for making sure each group follows the directions at each station.
    - Assign a Manager to each station.
  - Shuffle the *Stick to the Budget Game Cards* and place 6 random *Game Cards* face down on the mat at each station.
  - Divide the remaining students into 4 groups.
  - Distribute a *Budget Tracker* to each group.
5. Play the *Stick to the Budget Game*. How to play:
- Each group starts with \$100 in their account (recorded for them in Current Account Balance on the *Stick to the Budget Tracker*).
  - In addition to their starting balance, they also earn money each month at their job. To determine their monthly income, have each group roll a number cube to determine their monthly income (see below). Groups should record their monthly income amount at the top of their *Budget Tracker*.
    - If they roll #1, their income is \$125 a month.
    - If they roll #2, their income is \$150 a month.
    - If they roll #3, their income is \$175 a month.
    - If they roll #4, their income is \$200 a month.
    - If they roll #5, their income is \$225 a month.
    - If they roll #6, their income is \$250 a month.



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- Explain to students that, for the purpose of this game, their goal is to save **three times their monthly salary**. For example, if their monthly salary is \$150 a month, their goal is to save  $\$150 \times 3$ , or \$450. Have students work together to decide on a reason for saving the money for (e.g., a vacation, a down payment for a car, to put in a savings account, to donate to their favorite charity, etc.).
  - Say, **“Imagine you have created a budget to help you reach your goal. You have planned to spend and donate one month’s salary and save the rest. As you play this game, your group will encounter unexpected events. Think about how they affect your budget. Will you have to reduce your spending to meet your goal or will you stay on track?”**
  - Groups go to their first station and record their first month’s salary.
  - Groups then roll the number cube.
  - Groups pick up the card that matches their number roll and read the message.
    - If they earn money, they adjust their balance to show the earnings.
    - If they spend money (spend, lose, etc.), they adjust their balance to show the loss.
  - At the end of each round, groups should return the card (face down) to the mat and update their balance.
  - Groups rotate to the next station for Round #2 and repeat the process (record monthly salary, roll number cube, record new spending or income, and calculate new balance). Proceed until students have visited each station.
6. After four rounds, bring students back together and discuss what happened. Ask students to talk within their groups about the following questions:
- a. Did you reach your savings goal (three times your monthly salary)? Why or why not?
  - b. How did the unexpected events change your budget?
  - c. If this were real life, what would you do when these unexpected events happened? What did Cha-Ching do?
  - d. What have you learned from today’s activity about the challenges of creating and sticking to a budget?
7. Have students share their responses to the questions. Encourage students to share any important insights and ideas that came up during their group discussions. Close with reflective discussion about what they would teach others about creating and sticking to a budget.



### Instructional Options

- Allow students to continue game another four rounds after whole group discussion. Regroup to discuss any changes to their outcomes and any new insights. Did the additional four weeks help or hurt them? If goals are reached, students can pick a new goal!
- Have students create their own Earn and Spend cards. Shuffle them into the deck and play again!

### Additional Resources

- [Jump\\$tart's Reality Check](#)
- [Practical Money Skills](#)
- [How to Teach Young Kids Budgeting Habits Early On](#)
- [Teaching Kids How to Budget Money Effectively - The Balance](#)
- [Rockstar Moms: Here are 4 Money Lesson to Teach Your Kids](#)
- [9 Ways to Teach Your Kids About Money | DaveRamsey.com](#)

### National Standards

<b>National Standards for Financial Literacy</b>	<b>2: Buying Goods and Services</b> People cannot buy or make all the goods and services they want; as a result, people choose to buy some goods and services and not buy others. People can improve their economic well-being by making informed spending decisions, which entails collecting information, planning, and budgeting.
	<b>2.BM 4.2.</b> People make choices about what goods and services they buy because they can't have everything they want. This requires individuals to prioritize their wants.
	<b>2.BM 4.4.</b> Whenever people buy something, they incur an opportunity cost. Opportunity cost is the value of the next best alternative that is given up when a person makes a choice.
	<b>2.BM 4.5.</b> Informed decision making requires comparing the costs and benefits of spending alternatives. Costs are things that a decision maker gives up; benefits are things that a decision maker gains.
	<b>2.BM 4.7:</b> Planning for spending can help people make informed choices. A budget is a plan for spending, saving, and managing income.
	<b>3: Saving</b> Saving is the part of income that people choose to set aside for future uses. People save for different reasons during the course of their lives. People make different choices about how they save and how much they save. Time, interest rates, and inflation affect the value of savings.
	<b>3.S.4.2.</b> When people save money, they give up the opportunity to spend that money to buy things now in order to buy things later.
<b>C3 Framework for Social Studies State Standards</b>	<b>Economic Decision Making</b>
	<b>D2.Eco.1.3-5.</b> Compare the benefits and costs of individual choices.

## Back to the Budget Lyrics

Four big gigs for one thousand dollars!  
Cha-Ching are hitting the road! Let's make some money!

First thing to do, YEAH! Is work out our budget  
All these things to consider when you go on tour  
Hotels to be found, we need to look around town  
Double check the prices, to keep our spending down

We pull up, Woah! to where we play our first show  
Our fan base grows and so does our money flow  
Look to our budget, we followed it well  
At the next gig, can we afford a fancy hotel?

If we plan, plan with a budget, we can stick, stick to a budget  
Get smart, take part in a budget, it's the best head start

Here we go, back to the budget  
Our plan, will show, what we can spend  
We're going to be rich, we were such a hit  
With three shows left, we'll be rolling in it

At our next big gig YEAH! We roll in large  
Gonna be big mega stars, so we'll spend on supercharge.

But the show is off, which is bad for the band  
Cause along with no fans, our fee has been cancelled  
Go back to the budget WHOOPS! What a mess  
Our spending looks huge while our income is less.

We got too excited WEE! We lost control OH MAN!  
Need to focus back in on our initial plan  
Back to plan, plan to budget  
We can stick, stick to a budget  
All fired up don't burn our budget  
We can't afford that!



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Now we'll be careful, Yay don't get carried away  
Acting like big rollers, spending more than our pay.  
Save a little money, a bit ahead of time –  
A contingency that will give you peace of mind!

We fixed our plan plan to budget, we plan to stick stick to a budget  
It all adds up makes sense to budget, we made a profit in the end!  
We could have made a larger income, if we stuck to the budget from day one!



## Budget Tracker

Monthly Income:		Goal:		
	Monthly Income	Money Spent	Money Earned	Current Account Balance
				\$100
Round 1				
Round 2				
Round 3				
Round 4				
Round 5*				
Round 6*				
Round 7*				
Round 8*				
<b>Final Account Balance:</b>				

*\*Optional rounds*



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**Stick to the Budget Game Mat**

	<b>1</b>
	<b>2</b>
	<b>3</b>
	<b>4</b>
	<b>5</b>
	<b>6</b>



## Stick to the Budget Game Cards

<p><b>SPEND</b></p> <p>You get a flat tire on the way to work and have to pay to have it repaired.</p> <p><b>-\$150</b></p>	<p><b>EARN</b></p> <p>Your favorite aunt sends you a special surprise!</p> <p><b>+\$25</b></p>
<p><b>SPEND</b></p> <p>You dropped your cell phone and have to pay to have it repaired.</p> <p><b>-\$200</b></p>	<p><b>EARN</b></p> <p>You receive an award for your hard work and dedication at work.</p> <p><b>+\$200</b></p>
<p><b>SPEND</b></p> <p>It's your best friend's birthday and everyone decides to chip in for a gift.</p> <p><b>-\$25</b></p>	<p><b>EARN</b></p> <p>You find a wallet and return it to the owner. They are so grateful, they give you a reward.</p> <p><b>+\$150</b></p>
<p><b>SPEND</b></p> <p>You have to get a haircut.</p> <p><b>-\$25</b></p>	<p><b>EARN</b></p> <p>You walk the neighbor's dogs to earn extra money.</p> <p><b>+\$50</b></p>
<p><b>SPEND</b></p> <p>You take your pet to the vet for his annual shots.</p> <p><b>+\$150</b></p>	<p><b>EARN</b></p> <p>It's your birthday and you put all of your birthday money toward your goal.</p> <p><b>+\$150</b></p>
<p><b>SPEND</b></p> <p>You are sick and have to go to the doctor.</p> <p><b>-\$50</b></p>	<p><b>EARN</b></p> <p>You shovel snow for a neighbor to earn extra money.</p> <p><b>+\$50</b></p>
<p><b>SPEND</b></p> <p>Your car breaks down unexpectedly and have to take it to the mechanic.</p> <p><b>-\$225</b></p>	<p><b>EARN</b></p> <p>Happy holidays! You receive a card with a gift!</p> <p><b>+\$20</b></p>



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**Stick to the Budget Game Cards**

<p><b>SPEND</b></p> <p>You have to buy new shoes.</p> <p><b>-\$50</b></p>	<p><b>EARN</b></p> <p>You set up a lemonade stand at a local festival and earn a profit.</p> <p><b>+\$100</b></p>
<p><b>SPEND</b></p> <p>You fall and break your leg and have to pay hospital bills.</p> <p><b>-\$150</b></p>	<p><b>EARN</b></p> <p>Your boss gives you a bonus for working so hard.</p> <p><b>+\$100</b></p>
<p><b>SPEND</b></p> <p>You accidentally bump into someone's car and have to pay to have it repaired.</p> <p><b>-\$125</b></p>	<p><b>EARN</b></p> <p>You receive a bonus from work.</p> <p><b>+\$125</b></p>
<p><b>SPEND</b></p> <p>You accidentally break the neighbor's window and have to pay to repair it.</p> <p><b>+\$100</b></p>	<p><b>EARN</b></p> <p>You clean up your neighbor's yard to earn extra money.</p> <p><b>+\$100</b></p>
<p><b>SPEND</b></p> <p>Your credit card bill is more than you budgeted this month.</p> <p><b>-\$25</b></p>	<p><b>EARN</b></p> <p>You sell some comic books online.</p> <p><b>+\$60</b></p>
<p><b>SPEND</b></p> <p>A car accident last month increases your insurance bill this month.</p> <p><b>-\$75</b></p>	<p><b>EARN</b></p> <p>You work an extra shift for a couple weeks to earn more money.</p> <p><b>+\$100</b></p>
<p><b>SPEND</b></p> <p>You buy cookies to support a local troop.</p> <p><b>-\$40</b></p>	<p><b>EARN</b></p> <p>You feed the neighbor's cat while they're out of town.</p> <p><b>+\$25</b></p>



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### Stick to the Budget Game Cards

<p><b>SPEND</b> You forgot it's your turn to buy cupcakes for the office. <b>+\$30</b></p>	<p><b>EARN</b> Your entry wins first prize at an art show! <b>+\$100</b></p>